



Calculating Class II Price



1 Advanced Component Price + Differential = **Class II Skim Milk Price** (\$/cwt)

Advanced Class IV Skim Milk Pricing Factor (\$/cwt) + **\$0.70** (\$/cwt) = **Class II Skim Milk Price** (\$/cwt)

2 Component + Differential = **Class II Butterfat Price** (\$/lb)

Butterfat Price (\$/lb) + **\$0.007** (\$/lb) = **Class II Butterfat Price** (\$/lb)

3 Calculated in Step 1 × Yield + Calculated in Step 2 × Yield = **Class II Price** (\$/cwt)

Class II Skim Milk Price (\$/cwt) × **0.965** (cwt skim/ cwt milk) + **Class II Butterfat Price** (\$/lb) × **3.5** (lb butterfat/ cwt milk) = **Class II Price** (\$/cwt)

Calculating Class II Price: Details



Monthly advanced commodity prices and the Base Class I Price are announced on or before the 23rd day of the preceding month and use the most recent two weeks of price data available at that time. Monthly final prices are announced on or before the 5th day of the following month and use the most recent four or five weeks of price data since the last publication of Class and Component Prices. Class prices are announced as dollars per hundredweight. CWT= hundredweight, 100 pounds.

Formula Details

1

\$0.70 = Class II skim milk differential (\$/cwt).

2

\$0.007 = Class II butterfat differential (\$/lb).

3

0.965 = 96.5 pounds of skim in 100 pounds of milk (cwt skim/cwt milk).

3.5 = 3.5 pounds of butterfat in 100 pounds of milk (lb butterfat/cwt milk).

For more information on the Price Formulas, visit

www.ams.usda.gov/resources/price-formulas

*For more information on Advanced Prices & Pricing Factors and Class & Component Prices, visit **www.ams.usda.gov/rules-regulations/mmr/dmr***

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